

California Integrated Waste Management Board

Board Meeting

March 15-16, 2005

AGENDA ITEM 20

ITEM

Consideration Of The Application To Renew The Chico Recycling Market Development Zone Designation

I. ISSUE/PROBLEM STATEMENT

The Recycling Market Development Zone (RMDZ) program fosters the development of local markets for recovered materials. Zones are business development areas targeted by local governments and approved by the California Integrated Waste Management Board (Board). The RMDZ program is a partnership between the Board and local governments, with local governments providing a variety of business incentives; and the Board providing an attractive loan program and a myriad of technical business assistance to support local recycling-based manufacturers.

As outlined in Public Resources Code section 42011, zones are approved for a term of 10 years. At the end of this term, the Zone Administrator (ZA) or other delegated persons may reapply to the Board for another 10-year designation term (California Code of Regulations section 17914). The Chico ZA has submitted an application to renew the RMDZ designation. In order for the zone and its businesses to continue receiving Board RMDZ services, the ZA has requested that the Board consider approving the zone renewal application.

II. ITEM HISTORY

In December 1994, the Board approved the designation for the Chico RMDZ.

III. OPTIONS FOR THE BOARD

1. Approve the request to renew the Chico RMDZ for another 10-year term.
2. Deny the request to renew the Chico RMDZ for another 10-year term.
3. Grant a conditional redesignation to the RMDZ, with conditions of approval as specified by the Board.

IV. STAFF RECOMMENDATION

Staff recommends that the Board approve Option #1 and adopt Resolution Number 2005-77. The decision to renew the Chico RMDZ for another 10-year term will allow recycled-content product (RCP) manufacturers and other qualified businesses to continue receiving the technical support and financial services provided by the Board's RMDZ Program. Additionally, this approval will provide renewed support for the City of Chico and facilitate Board staff's continuing efforts to develop additional markets for recycled materials.

V. ANALYSIS

A. Key Issues and Findings

- The Chico RMDZ is administered by the Environmental Services Management Division, located within the City Manager's Office.
- This zone encompasses approximately 130 square miles in the northern portion of Butte County and includes the City of Chico; and industrial and unincorporated

properties located due west and south of the Chico Urban Area.

- The Chico zone is distant from major recycled material markets; thus the RMDZ program is an asset to the City's waste diversion and business retention/expansion plan. Renewing the RMDZ will allow additional development of recycling-based businesses within the region. The RMDZ also complements the existing cooperative business development efforts by the City of Chico and the other local economic development agencies.
- Based on the 2003 Annual RMDZ Report, zone businesses diverted approximately 140 tons from the region's landfills; and almost 100 people were employed by these businesses.
- Since 1994, RMDZ loans totaling \$1,167,000 have been made to the following businesses: Wax Box Firelog Corporation, (produce fire logs from waxed cardboard boxes); Van Duerr Industries (produce tire products from scrap tires); Work Training Center (produce wood products from scrap wood); and Earthworm Soil Factory (vermi-compost company).
- Three manufacturers: Wax Box Firelog Corporation, Van Duerr Industries, and Earthworm Soil Factory are receiving free marketing services through the Board's *RecycleStore* Project.
- Inventors in the Chico RMDZ currently participate in the Board supported *Inventors Alliance of Northern California* organization and are developing new RCP ideas.
- In compliance with established regulations, the Chico ZA has submitted a formal request to the Board for consideration. Resolutions from the Butte County Board of Supervisors and the Chico City Council, approving the renewal of the Chico RMDZ, were also submitted to the Board.

B. Environmental Issues

A zone renewal requires evidence of compliance with the California Environmental Quality Act (CEQA). The ZA has submitted appropriate documents for the Board's review. The Board's Legal Office has determined that previously prepared CEQA documents may be used to renew the RMDZ, if the responsible environmental authority documents that no significant environmental changes have occurred since the original RMDZ designation was granted by the Board. The Chico ZA exercised this option and provided a copy of the Notice of Determination that was filed with the State Clearinghouse on November 8, 2004 by the City of Chico's Planning Office. The formal determination stated that "there are no additional environmental impacts from the continuation of this (RMDZ) program".

The designation of RMDZs in certain geographic areas of the state promotes the market development of recyclables through recycling-based manufacturing. The use of recyclables in manufacturing increases diversion from landfills as well as assists local jurisdictions to meet and maintain state diversion mandates.

As more and more recyclables are diverted, the impact of building fewer landfills in remote, rural or residential areas lessens environmental concerns pertaining to air and water pollution and truck traffic in these jurisdictions.

Based on the information available, staff is not aware of any cross-media issues directly related to the RMDZs addressed in this agenda item.

C. Program/Long Term Impacts

The administration of the Chico RMDZ continues to follow a "team model" being comprised of City support staff along with community members and organizations representing both the public and private sectors. Specifically identified in the renewal application were: Butte County Economic Development Corporation, Butte County Job Creation Team, Tri-County Economic Development Corporation, the Butte College Center for International Trade Development, and the Butte College Small Business Development Center. Many of the team members have participated in business and economic development efforts, including the RMDZ Program, for many years and have a vested interest in improving the region. Renewal of the Chico RMDZ will keep Board programs and objectives before team members for the next 10 years.

Renewal of this zone will also increase the opportunities for other Board programs to access local recycling-based manufacturers. Due to continuous outreach efforts, the RMDZ staff is often the first point of contact for manufacturers and can therefore educate them about various Board programs, such as: RecycleStore, CalMAX, the Recycled Content Product database; participation in the Recycled Content Product Tradeshow; and grant opportunities offered by the Board.

D. Stakeholder Impacts

The programs and services incorporated in the Chico RMDZ strategy are delivered under a team concept. This team strategy emphasizes and promotes the development of partnerships within local government agencies as well as private and public sector stakeholders. These RMDZ alliances foster and promote economic diversification.

The Chico zone relies heavily on these cooperative partnerships to provide the widest array of business support programs possible. The technical and financial assistance representatives work together with Board staff to enhance the coordination, planning and implementation of the goals and objectives of the Chico RMDZ.

With Board approval of this renewal application, all associated public stakeholders are committed to delivering RMDZ benefits to the City's private business stakeholders.

E. Fiscal Impacts

Board approval of the Chico RMDZ renewal application will not significantly impact the Integrated Waste Management Account and only presents the potential for increasing demand on the RMDZ Loan Program fund. However, based on past demand, this should not present a significant impact.

F. Legal Issues

Based on available information, staff is not aware of any legal issues related to this agenda item.

G. Environmental Justice

The resolutions requesting Board consideration and approval of the Chico RMDZ renewal include a resolve to: "..... to administer the RMDZ Program in a manner that seeks to ensure the fair treatment of people of all races, cultures, and incomes....". Staff is not aware of any environmental justice issues specifically related to this agenda item.

There may be subsequent impacts from specific projects assisted by the RMDZ, which would undergo their own separate environmental review process.

H. 2001 Strategic Plan

The renewal of the Chico RMDZ supports the Board's 2001 Strategic Plan Goal 2, Objective 2: *Encourage the use of materials diverted from California landfills and the use of environmentally preferable practices and products*; and Goal 2, Objective 3: *support local jurisdictions' ability to reach and maintain California's waste diversion mandates*. Delivery of RMDZ services (loans and technical assistance) and participation in other Board programs (i.e., CalMAX, RecycleStore, Economic Gardening projects) will foster more sustainable economic growth for recycling-based manufacturers and increase their ability to divert more materials from local landfills.

VI. FUNDING INFORMATION

This item does not require any Board fiscal action.

VII. ATTACHMENTS

1. Letter from the Chico Zone Administrator requesting RMDZ redesignation
2. Resolution Number 2005-77

VIII. STAFF RESPONSIBLE FOR ITEM PREPARATION

A. Program Staff: Steve Boyd

Phone: (916) 341-6523

B. Legal Staff: Deborah Borzelleri

Phone: (916) 341-6056

C. Administration Staff: N/A

Phone:

IX. WRITTEN SUPPORT AND/OR OPPOSITION

A. Support

Staff had not received any written letters of support at the time this item was submitted for publication.

B. Opposition

Staff had not received any written opposition at the time this item was submitted for publication.



OFFICE OF THE
CITY MANAGER

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ATTACHMENT 1

Agenda Item 20
Attachment 1

PS 23-16-1/Chrono

November 15, 2004

Steve Boyd
California Integrated Waste Management Board
Recycling Business Assistance Branch
P.O. Box 4025, MS 11
Sacramento CA 95812-4025

Re: Renewal Application for the Chico/Northern Butte County Recycling Market Development Zone

Dear Mr. Boyd:

The City of Chico is submitting the enclosed application package for the renewal of the Chico/Northern Butte County Recycling Market Development Zone (RMDZ). Enclosed in this application package are the following documents:

- Zone Renewal Application Form
- Executive Summary
- RMDZ Map and Zone Profile
- Updated Market Development Plan
- City of Chico City Council Resolution
- CEQA Compliance documents

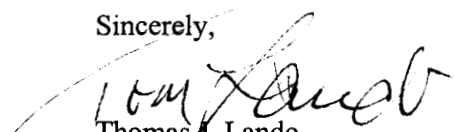
To date, there are no known Environmental Justice issues that have arisen as a result of the Chico/Northern Butte County Recycling Market Development Zone. The City is requesting that the California Integrated Waste Management Board consider and approve the renewal of this Zone designation.

If the RMDZ redesignation is approved by the Board, Management Analyst Linda Herman will continue to be the Zone Administrator for the Zone. Her contact information is as follows:

Linda Herman, Management Analyst
City of Chico
P.O. Box 3420
Chico CA 95927
Phone: (530) 895-4603 Fax: (530) 895-4825
e-mail: Lherman@ci.chico.ca.us

Please feel free to contact me if you have any questions or if you would like more information.

Sincerely,


Thomas J. Lando
City Manager

c: CM/SR AMC (2)



CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD

Resolution 2005-77

Consideration Of The Application To Renew The Chico Recycling Market Development Zone Designation

WHEREAS, the California Public Resources Code Section 42010 provides for the establishment of a Recycling Market Development Zone (RMDZ) program to provide incentives to stimulate development of post-consumer and secondary materials markets for recyclables; and

WHEREAS, an RMDZ is designated by the Board for a term of 10 years; and

WHEREAS, at the end of this term, the Zone Administrator may reapply to the Board for another 10-year term; and

WHEREAS, the Chico RMDZ was designated by the Board in December of 1994 and a completed redesignation (zone renewal) application was submitted to the Board; and

WHEREAS, the City of Chico desires continued RMDZ program services for their recycling-based businesses and waste management programs; and

WHEREAS, the City of Chico made a finding that the current and proposed waste management practices and conditions are favorable to the development of post-consumer and secondary waste materials markets; and

WHEREAS, the City of Chico, as Lead Agency under the California Environmental Quality Act (CEQA), has prepared, certified and adopted a Negative Declaration for the zone redesignation project that finds that the zone renewal project will not have a significant environmental impact on the region; and

WHEREAS, the Chico RMDZ has submitted to the Board a complete redesignation (zone renewal) application that includes the appropriate CEQA documents and pertinent jurisdiction resolutions that approve the zone renewal; and

WHEREAS, the Board finds that renewal of the Chico RMDZ will contribute in creating a more sustainable regional economy by stimulating additional markets for recyclables, increasing diversion of post consumer and secondary waste materials, and increasing jobs and revenues in local communities.

(over)

NOW, THEREFORE, BE IT RESOLVED that the Board hereby renews the Chico RMDZ designation for another term of 10 years (March 2005 through March 2015) as authorized by Public Resources Code Section 42011 and California Code of Regulations Section 17914.

CERTIFICATION

The undersigned Executive Director, or his designee, of the California Integrated Waste Management Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the California Integrated Waste Management Board held on March 15-16, 2005.

Dated:

Mark Leary
Executive Director